Before The
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of	)	
	)	
Rules and Regulations Implementing	)	CG Docket No. 02-386
Minimum Customer Account Record	)	
Exchange Obligations on All Local and	)	
Long Distance Carriers	)	

COMMENTS OF THE NATIONAL ASSOCIATION OF STATE UTILITY CONSUMER ADVOCATES

I. INTRODUCTION

The Federal Communications Commission ("Commission") has issued a *Notice of Proposed Rulemaking* ("*Notice*") seeking comment on whether the Commission should impose mandatory minimum Customer Account Record Exchange ("CARE") obligations on all local exchange carriers ("LECs") and interexchange carriers ("IXCs").[1] The National Association of State Utility Consumer Advocates ("NASUCA")[2] supports the establishment of minimum CARE obligations for IXCs and LECs in order to ensure that all affected carriers are notified when a customer makes a change in carriers.

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[1] FCC 04-50 (released March 25, 2004), summarized at 69 Fed. Reg. 20845 (April 19, 2004).

[2] NASUCA is a voluntary, national association of 44 consumer advocates in 42 states and the District of Columbia, organized in 1979. NASUCA's members are designated by the laws of their respective states to represent the interests of utility consumers before state and federal regulators and in the courts. *See, e.g.*, Ohio Rev. Code Chapter 4911; 71 Pa. Cons. Stat. Ann. § 309-4(a); Md. Pub. Util. Code Ann. § 2-205(b); Minn. Stat. Ann. Subdiv. 6; D.C. Code Ann. § 34-804(d). Members operate independently from state utility commissions, as advocates primarily for residential ratepayers. Some NASUCA member offices are separately established advocate organizations while others are divisions of larger state agencies (*e.g.*, the state Attorney General's office). Associate and affiliate NASUCA members also serve utility consumers, but have not been created by state law or do not have statewide authority.

Traditionally, LECs coordinated the exchange of customer data between themselves and the various IXCs. When customers changed presubscribed IXCs (also referred to as presubscribed interexchange carriers or "PICs"), or changed other billing information (e.g., name and/or address), the incumbent LEC would provide CARE data to the appropriate IXC(s) to ensure a seamless transfer of service for the customer. However, as competition for local and long distance service grew, a breakdown in data exchange occurred.[3] Consequently, CARE data is no longer exchanged in a uniform manner. The Commission must correct this situation.

The following chart shows a variety of customer contacts to change carriers, and NASUCA's proposed information-sharing responsibilities for those changes. For example, when a customer contacts a new LEC to obtain service, under NASUCA's proposed standard that LEC would have to contact the customer's former LEC. The "losing" LEC would then be required to inform the customer's presubscribed long distance carrier.

Carrier contacted by customer	**To change or eliminate which carrier**	**Carriers that must be notified (and by whom)**
New LEC	LEC	• Losing LEC (notified by New LEC) • PIC'd IXC (notified by Losing LEC)
New LEC[4]	LEC and IXC	• Losing LEC (notified by New LEC) • New PIC'd IXC (notified by New LEC) • Losing PIC'd IXC (notified by New LEC)

[3] See *Notice*, ¶ 5.

[4] Although a customer might contact the old LEC to request a change to another LEC, this seems unlikely.

Carrier contacted by customer	To change or eliminate which carrier	Carriers that must be notified (and by whom)
LEC	IXC	• New PIC'd IXC (notified by LEC) • Losing PIC'd IXC (notified by LEC)
New IXC[5]	IXC	• LEC (notified by New IXC) • Losing PIC'd IXC (notified by LEC)
IXC	Drop IXC	• LEC (notified by IXC)

These proposals are based on estimates of which carrier is most likely to have the information that needs to be communicated to the other carriers (for example, the "old" LEC will always have information about the customer's PIC'd IXC[6]), and to minimize the number of communications that need to occur (hopefully reducing the chances for errors).

As a result of current practices, consumers have experienced several difficulties when dropping or changing service providers. Some consumers who have dropped their presubscribed IXC in favor of a dial-around or similar service, without notifying their LEC of the change, have later found that their LEC still listed their old carrier as their presubscribed IXC. In addition, consumers who have switched to a competitive local exchange carrier's ("CLEC's") package that includes long distance service often discover that their previous IXC has not been informed of the change. These difficulties arise because carriers have not shared information about the change in service. As a result,

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[5] Again, it is possible but unlikely that a customer might contact the old IXC requesting to be moved to a new IXC. It is more likely that a customer would contact the old IXC to cancel service.

[6] This information is likely to be more accurate than information gathered from the customer, which would still have to be confirmed by the LEC.

consumers have received bills from companies with which the consumers no longer do business.

To alleviate these problems, NASUCA recommends that the Commission adopt requirements for sharing certain information among carriers, as reflected in the chart above. The requirements would include:

- IXCs should be required to notify the local service carrier when informed by customers that they want to cancel service with the IXC.
- When a customer switches IXCs in conjunction with switching local service, the "old" local carrier should be required to notify the "old" presubscribed IXC.
- When a customer does not switch IXCs in conjunction with switching local service, the "old" local carrier should be required to notify the presubscribed IXC.
- When a customer switches IXCs but does not switch local service, the local carrier should be required to notify the "old" IXC.

These processes should be seamless for consumers, in order to make the carrier change process easier and less confusing for consumers.

II. BILLING ERRORS CAUSED BY INADEQUATE INFORMATION-SHARING AMONG CARRIERS ARE A MAJOR SOURCE OF CONSUMER COMPLAINTS AGAINST CARRIERS.

Most of the problems caused by inadequate information sharing involve IXCs; LECs have a line loss notification process for changes in local service that avoids many of the pitfalls found on the long distance side. When a consumer changes LECs, the new carrier sends a line loss notice to the losing local carrier. Upon receipt of the line loss notice, the losing local carrier terminates the account and sends a final bill for any outstanding charges to the customer. A similar process should be used when a consumer changes IXCs.

However, IXCs are not currently required to send a line loss notification to a LEC when a customer dePICs from the IXC. Long distance carriers must rely on the information they receive from local carriers in the form of reconciliation orders. A reconciliation order confirms whether or not a consumer is PIC'd to a long distance carrier. The IXCs upload the information contained in the reconciliation order and generate a bill.

The absence of a line loss notice for IXCs often results in customers receiving two bills – one from the new long distance carrier and another from the former presubscribed IXC. Customers are confused as to which bill to pay and whom to call to correct the problem.

The failure of telecommunications carriers to exchange data uniformly or to act on data received in a timely manner has resulted in a significant number of customer complaints to NASUCA members' offices. For example, between January 2003 and May 2004, more than 300 residential consumers lodged such complaints with the Office of the Ohio Consumers' Counsel.

Many IXCs have a history of continuing to bill consumers who have called to cancel their long distance service but do not switch to another carrier. A uniform standard requiring IXCs to send a line loss notice to the customer's LEC when the customer cancels long distance service from the IXC would help prevent this widespread problem. The Commission should create uniform CARE standards in order to reduce the likelihood that IXCs erroneously bill consumers.

III. THE COMMISSION SHOULD REQUIRE CARRIERS TO NOTIFY OTHER AFFECTED CARRIERS WHEN A CONSUMER CHANGES CARRIERS.

At least one state has already begun to address the information-sharing problem. The Minnesota House of Representatives is considering a bill that would require long distance companies to notify the customer's local service carrier that the customer no longer has that carrier as the customer's primary interexchange carrier.[7] The legislation also takes the burden off consumers by prohibiting IXCs from requiring customers to notify their local service carrier about the change in IXCs.

A uniform national standard is needed, however. The National Association of Regulatory Utility Commissioners ("NARUC") adopted a resolution on February 26, 2003 encouraging the Commission "to develop mandatory minimum requirements relative to the exchange of customer account information between IXCs, LECs and CLECs…."[8]

Customers and telecommunication carriers alike would benefit from uniform CARE standards. Uniform standards would prevent LECs and IXCs from being in the dark as to whether customers remain on their networks, have switched local or long distance companies or have made changes to their billing information. All carriers' databases would contain accurate information preventing costly billing errors.

Customer confusion would also be alleviated with uniform standards. As it stands, customers who want to drop their IXC must contact the LEC as well as the IXC.

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[7] H.F 2171, 83rd Leg., 2d Sess. (Minn. 2003-2004).

[8] Resolution Urging the FCC to Initiate a Rulemaking to Establish Mandatory Minimum Requirements Relative to the Exchange of Customer Account Information between Inter-Exchange Carriers, LECs and CLECs, adopted by the NARUC Board of Directors on February 26, 2003 (http://www.naruc.org/associations/1773/files/requirements.pdf, accessed May 21, 2004).

Most customers do not realize that the public switched telephone network utilizes Carrier Identification Codes. These codes are associated with each IXC and reside in the LEC's database and customer account information for each consumer who presubscribes to an IXC or dePICs. Thus, only the local carrier can make the necessary changes to a customer's account and database when they move to another IXC. Customers who are not aware of the additional industry requirement to contact the local carrier will continue to receive bills for usage and monthly service fees from an IXC they thought they had left.

The majority of local exchange providers (including most CLECs) offer packages that bundle local and long distance services. NASUCA is aware of situations where a consumer purchasing such a bundled package changes local carriers but the long distance service carrier is not switched simultaneously with the change in LEC. In these situations, the losing LEC should also be required to notify the appropriate presubscribed IXC whenever a customer switches IXCs in conjunction with switching local service. NASUCA recommends that a notice requirement for customers using a bundled service package be included in a uniform CARE standard.

IV. THE CARRIER CHANGE PROCESS MUST BE SEAMLESS FOR CONSUMERS IN ORDER TO AVOID CONFUSION AND PROMOTE COMPETITION.

The process used for changing carriers – whether for local, long distance or both (especially as part of a bundled service package) – must be seamless for customers. Customers should not be required to make multiple calls to numerous companies to change carriers. If customers can sign up for service by simply calling one company, then customers should be able to cancel or change carriers by simply calling one company.

The current system precludes customers from doing so. In order to drop their current IXC, customers are required to contact at least two companies – the losing IXC and the customer's LEC. In practice, most consumers believe that only the new or winning carrier must be contacted. When the customer fails to notify the local service carrier, the customer will continue to be billed for services by their "old" carrier thus causing resentment, frustration and confusion.

Requiring that the new carrier provide line loss notifications to all affected carriers would make the process less confusing and seamless for consumers. As a result, the carrier change process would be more attractive to consumers, thus promoting competition. The Commission should adopt NASUCA's recommendation.

V. CONCLUSION

A process that ensures that all affected carriers are notified when a customer changes carriers would benefit consumers and promote competition. The Commission should adopt NASUCA's recommendations.

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